

**ASSEMBLY BILL**

**No. 1637**

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**Introduced by Assembly Member DeSaulnier**

February 23, 2007

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An act to amend Sections 99262, 99275, 99313.3, 99314, and 99400 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1637, as introduced, DeSaulnier. Public transportation: subsidies for low-income riders.

Existing law provides various sources of funding to public transit operators. Under the Mills-Alquist-Deddeh Act, also known as the Transportation Development Act (TDA), revenues from a  $\frac{1}{4}\%$  sales tax in each county are available, among other things, for allocation by the transportation planning agency to transit operators. Under the State Transit Assistance (STA) Program, a portion of revenues in the Public Transportation Account in the State Transportation Fund is allocated by the Controller by formula to each transportation planning agency, and those funds are allocated to transit operators by the agency. One of the formulas used to allocate funds is based on fare revenue generated by a transit operator compared to fare revenues generated by all transit operators. Existing law specifies the allowable uses of these transit funds.

This bill would authorize a transit operator to use TDA and STA funds specifically to provide discount fares for qualifying low-income riders. The bill would allow STA funds used by an operator for this purpose to count as fare revenue for the purpose of determining the operator's allocation that is based on the above-described fare revenue formula. The bill would also authorize operators to file claims for TDA

funds for special transit services for low-income persons, such as shuttles. The bill would enact other related provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known and may be cited as the  
2 Public Transportation Affordability Act of 2007.

3 SEC. 2. Section 99262 of the Public Utilities Code is amended  
4 to read:

5 99262. Claims for public transportation systems may include  
6 claims for money for all purposes necessary and convenient to the  
7 development and operation of the system, including planning and  
8 contributions to the transportation planning process, *provision of*  
9 *discount fares for qualifying low-income riders as defined by \_\_\_\_\_*,  
10 acquisition of real property, construction of facilities and buildings,  
11 purchase and replacement of vehicles (including those usable by  
12 handicapped persons), and system operation, maintenance, and  
13 repair, payment for any of which purposes may take the form of  
14 direct expenditures or payment of principal and interest on  
15 equipment trust certificates, bonded or other indebtedness, or any  
16 amounts in accomplishment of a defeasance of any outstanding  
17 revenue bond indenture.

18 SEC. 3. Section 99313.3 of the Public Utilities Code is  
19 amended to read:

20 99313.3. The amount received by each transportation planning  
21 agency and county transportation commission, and the San Diego  
22 Metropolitan Transit Development Board, pursuant to Sections  
23 99313 and 99314, shall be allocated for public transportation  
24 purposes, including community transit services. Funds received  
25 pursuant to Section 99314 may be expended for community transit  
26 services pursuant to Section 99275. *Funds allocated to an operator*  
27 *may be used by the operator to subsidize fares for qualifying*  
28 *low-income riders as defined by \_\_\_\_\_*.

29 SEC. 4. Section 99314 of the Public Utilities Code is amended  
30 to read:

31 99314. (a) From funds made available pursuant to subdivision  
32 (b) of Section 99312, an amount shall be allocated by the Controller  
33 to each transportation planning agency and county transportation

commission, and the San Diego Metropolitan Transit Development Board. The allocation shall include an amount corresponding to each of the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority. The amount of funds allocated shall be based on the ratio of the total revenue of all the operators and the member agencies of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority in the area under their respective jurisdictions during the prior fiscal year to the total revenue of all the operators in the state and the member agencies of the Altamont Commuter Express Authority and the member agencies of the Southern California Regional Rail Authority during the prior fiscal year.

(b) For purposes of this section and Section 99314.3, “revenue” means fare revenues and any other funds used by the operator for its transit operation, and the revenue that is derived from operating as a member of the authority pursuant to Section 99314.1, except federal and state funds which may only be used for transportation purposes and funds allocated pursuant to Section 99233. The revenue amount for each operator shall be determined from the annual report submitted to the Legislature by the Controller pursuant to Section 99243.5. The revenue amount for each member agency of the Altamont Commuter Express Authority and the Southern California Regional Rail Authority shall be determined by the revenues reported to the Controller by the respective authorities in accordance to subdivision (b) of Section 99314.1 and subdivision (b) of Section 99314.2, respectively.

(c) For the purposes of this section, any reference to the “Altamont Commuter Express Authority” shall be construed to include a reference to any entity that is a successor to the authority.

*(d) Notwithstanding subdivision (b), “revenue” for the purpose of calculating each operator’s share of State Transit Assistance pursuant to subdivision (a) shall include any State Transit Assistance funds that are used by the operator to subsidize fares for qualifying low-income riders as defined by\_\_\_\_\_.*

SEC. 5. Section 99275 of the Public Utilities Code is amended to read:

99275. (a) Claims may be filed with the transportation planning agency by claimants for community transit services, including such services for those, such as the disabled, who cannot use

1 conventional transit services, *and services for qualifying*  
2 *low-income riders as defined by \_\_\_\_.*

3 (b) For purposes of this article, “community transit services”  
4 means transportation services which link intracommunity origins  
5 and destinations.

6 SEC. 6. Section 99400 of the Public Utilities Code is amended  
7 to read:

8 99400. Claims may be filed under this article with the  
9 transportation planning agency by counties and cities for the  
10 following purposes and by transit districts for the purposes  
11 specified in subdivisions (c) to (e), inclusive:

12 (a) Local streets and roads, and projects which are provided for  
13 use by pedestrians and bicycles.

14 (b) Passenger rail service operations and capital improvements.

15 (c) Payment to any entity which is under contract with a county,  
16 city, or transit district for public transportation or for transportation  
17 services for any group, as determined by the transportation planning  
18 agency, requiring special transportation assistance, *including transit*  
19 *service such as shuttles for the benefit of qualifying low-income*  
20 *riders, as defined by \_\_\_\_, and subsidies for discount fares for*  
21 *those riders.*

22 If the county, city, or transit district is being served by an  
23 operator, the contract entered into by the county, city, or transit  
24 district shall specify the level of service to be provided, the  
25 operating plan to implement that service, and how that service is  
26 to be coordinated with the public transportation service provided  
27 by the operator. Prior to approving any claim filed under this  
28 section, the transportation planning agency, or the county  
29 transportation commission in a county with such a commission,  
30 shall make a finding that the transportation services contracted for  
31 under subdivision (c) are responding to a transportation need not  
32 otherwise being met within the community or jurisdiction of the  
33 claimant and that, where appropriate, the services are coordinated  
34 with the existing transportation service.

35 (d) Payments to counties, cities, and transit districts for their  
36 administrative and planning cost with respect to transportation  
37 services under subdivision (c).

38 (e) Notwithstanding any other provision of this chapter, a  
39 claimant for funds pursuant to subdivision (c) may also receive  
40 payments for capital expenditures to acquire vehicles and related

- 1 equipment, bus shelters, bus benches, and communication
- 2 equipment for the transportation services.

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